
Board Meeting

Date of Meeting	Monday 16 March 2015
Paper Title	Student Support Funding
Agenda Item	7
Paper Number	BM5-E
Responsible Officer	Principals Lead – Finance Vice Principals
Status	Disclosable
Action	For Decision

Glasgow Colleges' Regional Board Student Support Funding

1. Report Purpose

- 1.1** The purpose of this paper is to provide the Regional Board with a summary of the SFC Student Support Funding to the Glasgow Colleges and the whole College sector.

2. Recommendations

- 2.1** The Board is asked to note the summary of the three Glasgow Colleges SFC Student Support Funding and contact SFC to discuss the justification of the £1,028,545 reduction in funding for the Glasgow Region for the 2015-16 academic year. The Glasgow Colleges feel that the scale of the reduction of the Glasgow Region funding is too great (5.33%) given the Region is also delivering a 1% growth and an increase in the proportion of FE provision.
- 2.2** Given the funding requested by the whole sector in the 2014-15 redistribution (£14,732,776) to increase in the total funding announced by SFC for 2015-16 (£1,271,507) seems insufficient. The Board is asked to lead an approach to the SFC, in partnership with the Colleges, seeking justification for the minimal increase in total funding for 2015-16 by 1.22%.

3. Background

- 3.1** SFC allocates Student Support Funding annually using previous expenditure profiles and the in year requests for additional funding.
- 3.2** SFC has been working with the Colleges and other stakeholders to develop a more robust funding model for Student Support Funds. SFC are planning to implement a new funding model for academic year 2016-17.
- 3.3** SFC Student Support Funds cover the following categories:
 - FE Bursaries (national policy)
 - FE Discretionary Funds (national guidance)
 - FE Childcare (national guidance)
 - HE Childcare (national guidance)

- 3.4** The paper contains the following appendices:

Appendix 1 SFC funding summary

Appendix 2 SFC in year 2014-15 redistribution

Appendix 3 Summary of actual 2013-14 expenditure for Glasgow

4. Context

4.1 SFC Funding

- 4.2** SFC have announced the teaching and student support grant for all regions for 2015-16. Appendix 1, contains a summary of the SFC student support funding over the past 3 years and highlights the grant allocation for Glasgow.

- 4.3** The SFC Student Support Funding allocation for 2015-16 has an overall increase of £1,271,507, 1.22%. The 2015-16 allocation incorporates significant funding movements across the regions.
- 4.4** Currently SFC have no robust funding model to measure demand and allocate funding to Colleges aligned to local student demand. Each College must comply with the national bursary policy and the guidance for the other student support funds. Compliance does enable Colleges varying levels of local discretion, examples are student travel, course materials, childcare and discretionary funding. The local discretion and the individual Colleges own financial position means that purely analysing previous expenditure does not necessarily match real student demand.
- 4.5** Glasgow has one of the highest proportions of students from the most deprived postcodes but in the 2015-16 allocation Glasgow receives the second lowest SFC Student Support Grant per WSUM in Scotland (excluding the very small Colleges). The Glasgow Region will receive £39.94 per WSUM and by contrast Lanarkshire will receive £54.55 per WSUM and the average for the whole sector is £46.49 per WSUM. If Glasgow was funded at the national average, Glasgow would receive an additional £3m grant funding per year.
- 4.6** Each year SFC allocate an initial grant to fund the student support requirements of each College. Appendix 2 contains the SFC in year 2014-15 redistribution notified to the Colleges on the 12th December 2014. The Glasgow Colleges requested £1.7m additional funding for 2014-15 and only received £347,704. Several of the regions requested significant increases to their initial funding. Lanarkshire requested an additional £4,148,115, 41.1% increase on their initial 2014-15 grant allocation and received £1,228,547.
- 4.7** It appears that the in year redistribution and the 2013-14 actual expenditure have been the significant factors influencing the 2015-16 allocations. Glasgow has received a substantial funding cut even though Glasgow spent more than their initial allocation in 2013-14 and will also do so in 2014-15.
- 4.8 Glasgow Colleges**
- 4.9** The Glasgow Colleges have created a working group to review the delivery, interpretation and implementation of the SFC policies and guidance relating to student support
- 4.10** In the previous year the Glasgow Colleges have at least spent the annual SFC Student Support grant. Appendix 3 contains a summary of actual expenditure from the SFC funded student support in 2013-14 for Glasgow. Glasgow Colleges actual expenditure in 2013-14 was £19.6m from a SFC grant allocation of £19m. Glasgow has prioritised bursary and childcare support transferring funds from the discretionary fund to deliver this objective. In 2013-14 Glasgow provided financial support to 12,131 students.
- 4.11** The Glasgow Colleges received a higher SFC grant allocation in 2014-15, £19.3m and are planning to spend closer to £20m. The financial support paid in 2014-15 highlights the potential impact of the substantial reduction to £18.3m in 2015-16.
- 4.12** The Glasgow Colleges are currently discussing the individual College allocation from the Region funding for 2015-16.

5. Risk Analysis

5.1 All three Colleges face a substantial challenge to deliver the required volume of academic teaching incorporating the 1% growth for the region and the increased volume of FE provision agreed in the ROA and fund the student support demand.

5.2 There is an increase risk that:

- The Colleges will not be able to fund the student support funding demand.
- The Colleges may not fully deliver the outcomes within the ROA due to funding constraints
- Student support requests may be rejected.
- Increased demand with less funding may impact on the financial sustainability of the Colleges.
- Potential negative publicity from the above risks.

6. Legal Implications

6.1 N/A

7. Financial Implications

7.1 All three Colleges were in a healthy and sustainable financial position at 31st March 2014 and are likely to deliver a break even position at the 31st March 2015. The financial impact on the reduced SFC Student Support Funding in 2015-16 is likely to be substantial or the Colleges will have to be stricter on the administration of the funds to minimise the potential overspend.

7.2 For the current financial year SFC have reached an agreement with the Scottish Government to allow Colleges use the cash generated from net depreciation to fund any additional student support expenditure which will cause these Colleges to deliver an operating loss on the Income & Expenditure account but will remain within the budget limits presented in the Government Resource Return. The Glasgow Colleges will only use a small proportion of the 2014-15 net depreciation on additional student support expenditure. There is currently no confirmation if this agreement will continue for 2015-16.

SFC GRANTS

Overall funding allocations

	AY 2013-14	AY 2014-15	AY 2015-16	
	GLASGOW REGION	GLASGOW REGION	GLASGOW REGION	Movement
Teaching and fee waiver	£76,360,093	£76,360,093	£77,123,694	£763,601
European Social Fund*	£2,200,000	£2,200,000	£5,931,146	£3,731,146
Student support	£19,281,446	£19,281,446	£18,252,901	-£1,028,545
Capital	£5,376,249	£5,376,249	£4,042,292	-£1,333,957
Total	£103,217,789	£103,217,789	£105,350,034	£2,132,245

SCOTLAND Student Support	AY 2013-14	AY 2014-15	AY 2015-16	Movement	2015-16 WSUM target	Average per WSUM	Additional Request 2014-15
Ayr	£9,232,018	£9,343,131	£10,341,947	£998,816	183,269	£56.43	£1,959,287
Borders	£1,955,500	£1,974,435	£1,901,095	-£73,340	35,767	£53.15	£350,000
Dumfries	£2,212,260	£2,207,696	£2,188,604	-£19,092	42,955	£50.95	£140,600
D&A	£6,674,253	£6,724,917	£6,753,117	£28,199	143,420	£47.09	£800,000
Edin	£10,244,881	£10,268,385	£10,706,409	£438,024	252,140	£42.46	£1,618,875
Fife	£8,632,201	£8,689,713	£9,078,018	£388,305	173,451	£52.34	£1,270,000
Forth	£3,939,021	£3,987,402	£3,671,124	-£316,278	118,503	£30.98	£0
Glasgow	£19,016,324	£19,281,446	£18,252,901	-£1,028,545	457,037	£39.94	£1,700,000
Highlands	£8,007,212	£8,100,463	£8,063,086	-£37,378	155,736	£51.77	£1,315,899
Lanark	£9,921,286	£10,102,322	£12,327,397	£2,225,075	225,985	£54.55	£4,148,115
Newbattle	£274,340	£278,172	£256,107	-£22,064	1,392	£183.99	£0
NE	£8,369,973	£8,411,618	£7,666,970	-£744,648	175,286	£43.74	£0
SMO	£26,489	£26,739	£24,618	-£2,121	631	£38.98	£0
SRU	£1,813,567	£1,831,043	£1,584,531	-£246,512	34,054	£46.53	£0
West	£10,573,133	£10,697,011	£10,009,452	-£687,559	214,162	£46.74	£423,000
W. Lothian	£1,955,896	£2,093,268	£2,463,893	£370,625	51,098	£48.22	£1,007,000
TOTAL	£102,848,353	£104,017,763	£105,289,270	£1,271,507	2,264,887	£46.49	£14,732,776

Student Support Funds In-year Redistribution AY 2014-15 Table 1

SCOTLAND Student Support	Additional Request 2014-15	Relinquished Funds	Funds Allocated for 2014-15
Ayr	£1,959,287		£580,282
Borders	£350,000		£70,000
Dumfries	£140,600		£28,120
D&A	£800,000		£160,000
Edin	£1,618,875		£323,775
Fife	£1,270,000		£254,000
Forth	£0		£0
Glasgow	£1,700,000		£347,704
City of Glasgow	£103,000		£0
Glasgow Clyde	£423,000		£0
Glasgow Kelvin	£1,174,000		£347,704
Highlands	£1,315,899		£210,281
Argyll/North Highland/West Highland Colleg	£277,327		£0
Inverness College	£50,000		£0
Lewis Castle College	£0		£0
Moray College	£278,572		£0
Orkney College	£0		£0
Perth College	£710,000		£210,281
Shetland College	£0		£0
Lanarkshire	£4,148,115		£1,228,547
New College Lanarkshire	£2,775,484		£822,015
South Lanarkshire College	£1,372,631		£406,532
Newbattle	£0		£0
NE	£0		£0
SMO	£0		£0
SRU	£0		£0
West	£423,000		£84,600
W. Lothian	£1,007,000		£201,400
TOTAL	£14,732,776	£3,488,713	£3,488,709

Glasgow Colleges
SFC Student Support
Actual Expenditure 2013-14

Appendix 3

	Glasgow Kelvin	Glasgow Clyde	City of Glasgow	Glasgow
Bursary				
Maintenance	£2,880,131	£4,852,520	£3,294,185	£11,026,836
Course Material	£237,012	£357,342	£206,752	£801,106
Travel	£639,918	£1,059,775	£975,976	£2,675,669
Other	£56,680	£204,445	£141,236	£402,361
TOTAL	£3,813,741	£6,474,082	£4,618,149	£14,905,972
Students Supported	1,664	3,359	2,394	7,417
Average	£2,292	£1,927	£1,929	£2,010
FE Childcare	£876,353	£1,057,348	£460,268	£2,393,969
Students Supported	302	404	154	860
Average	£2,902	£2,617	£2,989	£2,784
HE Childcare	£280,032	£427,551	£230,024	£937,607
Students Supported	98	170	82	350
Average	£2,857	£2,515	£2,805	£2,679
FE Discretionary	£433,300	£271,731	£670,902	£1,375,933
Students Supported	626	621	2257	3504
Average	£692	£438	£297	£393
TOTAL Students Supported	2690	4554	4887	12,131
TOTAL SFC STUDENT SUPPORT	£5,403,426	£8,230,712	£5,979,343	£19,613,481

SFC STUDENT SUPPORT GRANT 2013-14	£19,016,325
SFC STUDENT SUPPORT GRANT 2014-15	£19,281,446
SFC STUDENT SUPPORT GRANT 2015-16	£18,252,901